Government of Saskatchewan

Financial Statement 2003-2004

Southeast Regional College

For the fiscal year ending June 30, 2004

Saskatchewan Centennial 2005

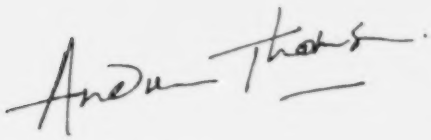
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour,

I have the honour to submit for your consideration the Financial Statements of the Southeast Regional College for the year ending June 30, 2004.

Respectfully submitted,



Andrew Thomson
Minister of Learning

105-00535/

Cogent
BUSINESS CONSULTING

AUDITOR'S REPORT

To the Directors of Southeast Regional College:

We have audited the statement of financial position of Southeast Regional College as at June 30, 2004, and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these Financial Statements for the Treasury Board's approval. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of the College as at June 30, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Weyburn, Saskatchewan
August 9, 2004

Cogent Business Consulting
Certified General Accountants

CERTIFIED GENERAL ACCOUNTANTS
115 Second Street, Weyburn, Saskatchewan S4H 0T7
Tel: 306-842-8123 • Fax: 306-842-8171
Toll Free: 1-877-211-8123
Cogent Business Consulting is a trademark of Dillon Hillstead Melanson Consulting Group Inc.

Southeast Regional College
Statement of Management Responsibility

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are in compliance with the provisions of legislation and related authorities. When alternative accounting methods exist, management has chose those it deems most appropriate in the circumstances. Financial statements are not precise because they include certain amounts based on estimates and judgments.

In fulfilling it responsibilities and recognizing the limits inherent in all systems, the management has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors of the College is responsible for the review and approval of the financial statements, and ensures management fulfils it financial reporting responsibilities. The Board meets with management and with the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Board with and without the presence of management.

The financial statements have been audited by Cogent Business Consulting Certified General Accountants. The Auditors' Report outlines the scope of their examination and provides their option on the fairness of the presentation of the information in the financial statements.

President

Director, Finance and Administration

August 9, 2004

Southeast Regional College
Statement of Financial Position
as at June 30, 2004

	2004			2003
	Operating	Capital	Total	Total
Assets				
Current Assets				
Cash	$ 1,496,900	$ -	$ 1,496,900	$ 1,265,775
Temporary investments	773,851	-	773,851	773,851
Accounts receivable (note 3)	530,594	-	530,594	298,194
Prepaid expenses	66,948	-	66,948	87,719
	2,868,293	-	2,868,293	2,425,539
Non-current Assets				
Capital assets (note 4)	-	1,083,639	1,083,639	897,121
Deferred rent (note 5)	-	60,000	60,000	75,000
	-	1,143,639	1,143,639	972,121
	$ 2,868,293	$ 1,143,639	$ 4,011,932	$ 3,397,660
Liabilities				
Current Liabilities				
Accrued salaries and benefits (note 6)	$ 207,848	$ -	$ 207,848	$ 124,075
Accounts payable & accrued liabilities	295,195	-	295,195	250,764
Unearned revenue (note 7)	802,178	-	802,178	720,460
	1,305,221	-	1,305,221	1,095,299
Net Assets				
Invested in capital assets	-	1,143,639	1,143,639	972,121
Externally restricted (note 8)	-	-	-	42,217
Internally restricted (note 8)	312,421	-	312,421	514,077
Unrestricted	1,250,651	-	1,250,651	773,946
	1,563,072	1,143,639	2,706,711	2,302,361
	$ 2,868,293	$ 1,143,639	$ 4,011,932	$ 3,397,660

Approved on behalf of the Board

Approved on behalf of the Board

The accompanying notes form an integral part of these financial statements

Statement 2

Southeast Regional College
Statement of Operations
for the year ended June 30, 2004

	Budget 2004 (note 9)	2004	2003	2004	2003	2004	2003
		Operating		Capital		**Total**	Total
Revenues (Schedule 1)							
Provincial government	$ 4,072,516	$ 3,926,441	$ 3,675,171	$ 179,287	$ 77,000	**$ 4,105,728**	$ 3,752,171
Federal government	-	34,132	11,420	-	-	**34,132**	11,420
Other revenue	1,814,707	2,157,283	1,876,241	20,903	4,110	**2,178,186**	1,880,351
Total revenues	5,887,223	6,117,856	5,562,832	200,190	81,110	**6,318,046**	5,643,942
Expenses (Schedule 2)							
Agency contracts	1,633,796	1,755,745	1,383,622	-	-	**1,755,745**	1,383,622
Amortization	242,303	-	-	266,254	302,374	**266,254**	302,374
Equipment	40,739	57,397	19,568	391	-	**57,788**	19,568
Facilities	272,833	283,106	270,780	5,900	-	**289,006**	270,780
Information technology	98,475	58,092	90,157	-	-	**58,092**	90,157
Operating (Schedule 3)	1,111,042	890,692	799,454	-	1,114	**890,692**	800,568
Personal services	2,555,453	2,596,119	2,411,054	-	-	**2,596,119**	2,411,054
Total expenses	5,954,641	5,641,151	4,974,635	272,545	303,488	**5,913,696**	5,278,123
Excess (deficiency) of revenues over expenses	$ (67,418)	$ 476,705	$ 588,197	$ (72,355)	$ (222,378)	**$ 404,350**	$ 365,819

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Statement of Changes in Net Assets
for the year ended June 30, 2004

	2004			2004	2003
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Excess (deficiency) of revenues over expenses	$ (72,355)	$ -	$ 476,705	$ 404,350	$ 365,819
Net assets, beginning of year	972,121	556,294	773,946	2,302,361	1,936,542
Interfund transfers:					
Invested in capital assets	395,555	(395,555)	-	-	-
Externally imposed restrictions (note 8)	42,217	(42,217)	-	-	-
Internally imposed restrictions (note 8)	(193,899)	193,899	-	-	-
Net assets, end of year	$ 1,143,639	$ 312,421	$ 1,250,651	$ 2,706,711	$ 2,302,361

Restricted details:

	Beginning Balances	To Restricted	From Restricted	Ending Balance
Externally Restricted				
Technology Enchanced Learning pilot project	$ 42,217	$ -	$ 42,217	$ -
	42,217	-	42,217	-
Internally Restricted				
Reserve contingency fund	91,711	-	-	91,711
Information technology fund	260,860	20,903	222,019	59,744
Facility fund	114,889	179,287	167,879	126,297
Furniture and equipment fund	46,617	-	5,657	40,960
	514,077	200,190	395,555	318,712
	$ 556,294	$ 200,190	$ 437,772	$ 318,712

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Statement of Cash Flows
for the year ended June 30, 2004

	2004	2003
Cash flows from operating activities		
Excess of revenues over expenses	$ 404,350	$ 365,819
Loss on disposal of assets	-	1,114
Amortization of capital assets	251,254	287,374
Amortization of deferred rent	15,000	15,000
	670,604	669,307
(Increase) decrease in accounts receivable	(232,400)	86,682
Decrease (increase) in prepaid expenses	20,771	(18,517)
Increase (decrease) increase in accrued salaries and benefits	83,773	(77,292)
Increase (decrease) in accounts payable and accrued liabilites	44,431	(104,383)
Increase in unearned revenue	81,718	96,318
Cash provided from operating activities	668,897	652,115
Cash flows from investing activities		
Purchase of capital assets	(437,772)	(53,877)
Cash used in investing activities	(437,772)	(53,877)
Net increase in cash and temporary investments	231,125	598,238
Cash and temporary investments, beginning of year	2,039,626	1,441,388
Cash and temporary investments, end of year	$ 2,270,751	$ 2,039,626

The accompanying notes form an integral part of these financial statements

Southeast Regional College

Notes to Financial Statements
As at June 30, 2004

1. General Information

The Southeast Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The Board of the Southeast Regional College is responsible for administering and managing the educational affairs of the College in accordance with *The Regional Colleges Act* and its regulations.

The College's objectives are to promote the social, economic and cultural development of Southeastern Saskatchewan by facilitating learning options in partnership with community groups and businesses.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

Funds are a separate self-balancing set of accounts for each accounting entity established within the accounting system, which segregate the transactions of a particular activity, as follows:

i. The Operating Fund accounts for the organization's programs delivery and administrative activities. The fund reports unrestricted resources and restricted operating and program grants.

ii. The Capital Fund reports the assets, liabilities, revenues and expenses related to the capital assets of the College.

b) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, in the year to which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, in the year received.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Investment income earned from the resources of internally restricted funds, is recorded as income in the Operating Fund.

Tuition, fee and contractual revenue is recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful lives of the assets, and recorded as an expense in the capital fund, for the categories listed below:

Leasehold improvements	over the life of the lease, to which they relate
Program equipment and office equipment	5 years
Computer hardware and systems software	3 years
Office Furniture	10 years
Buildings	20 years

3. Accounts Receivable

Accounts receivable are composed of the following:

	2004	2003
	$	$
Saskatchewan Learning	**178,560**	118,806
Government of Saskatchewan-other	**5,034**	1,173
Other less allowance for doubtful accounts (2004-$8,119, 2003-$21,328)	**347,000**	178,215
	530,594	298,194

4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2004	Net Book Value 2003
	$	$	$	$
Buildings	80,970	4,355	76,615	5,825
Leasehold improvements	1,142,201	426,457	715,744	736,923
Program equipment	305,857	250,164	55,693	49,380
Computer hardware	962,645	758,341	204,304	71,377
Office equipment	26,644	23,226	3,418	3,872
Office furniture	87,493	59,628	27,865	29,744
System software	196,395	196,395	-	-
	2,802,205	1,718,566	1,083,639	897,121

5. Deferred Rent

The College entered into a lease for facilities for a period of 10 years in 1998. A condition of the lease required an advance payment of $150,000 to the lessor of the premises. The payment has been recorded as deferred rent and will be amortized over the term of the lease at the rate of $15,000 per year.

6. Accrued Salaries and Benefits

Accrued salaries and benefits of $207,848 (2003 - $124,075) representing retroactive salary adjustments and vacation earned by employees but not yet paid, has been calculated and recorded in the accounts.

7. Unearned Revenue

Unearned revenue represents restricted funding for operating grants and program payments received in the current period, for operations of the subsequent period as follows:

	2004	2003
	$	$
Saskatchewan Learning	**762,992**	651,037
Federal Government	**-**	8,620
Other	**39,186**	60,803
	802,178	720,460

8. Restrictions on Net Assets

The Board of Governors have placed internal restrictions on certain net assets to be used for future expenditures as indicated on Statement 3. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

External restricted funds at June 30, 2003 ($42,217) under the Technology Enhanced Learning Pilot Project were expended in 2004 for equipment purchases.

9. Budget Amounts

The budget amounts on the financial statements were prepared by Regional College Management and approved by the Board of Governors on May 7, 2003. The Minister approved the budget on June 24, 2003.

10. Related Party Transactions

Included in these financial statements are revenue and expenditures resulting from routine operating transactions conducted at agreed rates with various Crown controlled departments, agencies and corporations, with which the College is related. Accounts balances resulting from these transactions are included in the statements of financial position and operations. These transactions are settled on normal trade terms.

Transactions with related parties, incorporated in these financial statements, include the following:

Significant payments to related parties during the fiscal year:

	2004 $	2003 $
Association of Saskatchewan Regional Colleges	**21,000**	26,969
Saskatchewan Regional Colleges	**3,629**	10,144
SIAST	**730,478**	539,226
Saskatchewan Property Management Corporation	**43,082**	46,618
SaskTel	**75,581**	84,375
SaskEnergy	**7,818**	6,628
University of Regina	**72,436**	18,130

Significant receipts from related parties during the fiscal year:

	2004 $	2003 $
Saskatchewan Regional Colleges	**76,266**	63,338
Saskatchewan Government Insurance	**3,132**	10,708
SaskPower	**92,426**	89,234
SaskEnergy	**2,290**	7,030
SaskTel	**6,186**	2,450
SIAST	**43,364**	26,927
SCN	**1,375**	95,366
University of Regina	**5,999**	15,676
Workers' Compensation Board	**29,182**	23,471

11. Financial Instruments

Cash, temporary investments, accounts receivable, accounts payable and accrued salaries and benefits are all short term in nature, and as such, their carrying value approximates fair value.

The College is exposed to credit risk from non-payment of accounts receivable. Credit risk is minimal for amounts due from Saskatchewan Learning, the Government of Canada, and other educational institutions. All other receivables are reported at estimated net realizable value.

12. Pension Plans

Employees of the College are members of the Teachers' Superannuation Plan, the Saskatchewan Teachers Retirement Plan or a defined contribution plan established by the Southeast Regional College. The College's obligations under these arrangements are limited to matching employee's contributions of the defined contribution plan established by the Southeast Regional College. Pension contributions for 2004 totaled $86,586 (2003 - $89,813).

13. Lease Commitments

The College has obligations for leases of office equipment and premises. Future minimum payments for the next five years total $887,851 with the following annual payments:

Year	$
2004-05	226,999
2005-06	214,525
2006-07	210,948
2007-08	126,206
2008-09	113,019

Schedule 1

Southeast Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2004

	2004								2004	2004 Budget (note 9)	2003
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	Total	Total	Total
Provincial Government											
Saskatchewan Learning											
Base grant	$ 1,971,022	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,971,022	$ 1,964,092	$ 1,911,003
Program payments	-	1,230,551	-	441,820	-	-	1,305	30,000	1,703,676	1,529,424	1,595,109
Other	8,528	95,366	-	35,567	4,998	-	56,582	50,000	251,041	579,000	164,305
	1,979,550	1,325,917	-	477,387	4,998		57,887	80,000	3,925,739	4,072,516	3,670,417
Other Provincial	-	702	-	-	-	-	-	-	702	-	4,754
	1,979,550	1,326,619	-	477,387	4,998	-	57,887	80,000	3,926,441	4,072,516	3,675,171
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Seat purchases	-	-	-	-	-	-	-	-	-	-	-
Projects	10,941	-	-	-	-	-	-	23,191	34,132	-	11,420
Other	-	-	-	-	-	-	-	-	-		-
	10,941	-	-	-	-	-	-	23,191	34,132	-	11,420
Other Revenue											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Contracts	405	301,599	76,695	88,888	5,814	-	6,000	1,708	481,109	103,000	273,802
Interest	60,105	-	-	-	-	-	-	-	60,105	48,370	55,620
Rents	4,175	-	-	-	-	-	-	-	4,175	3,575	8,044
Resale items	275	235,995	8,588	238	240	-	-	-	245,336	214,929	183,562
Tuitions	-	1,055,669	76,444	39,349	1,700	182,546	-	-	1,355,708	1,440,333	1,337,237
Other	10,850	-	-	-	-	-	-	-	10,850	4,500	17,976
	75,810	1,593,263	161,727	128,475	7,754	182,546	6,000	1,708	2,157,283	1,814,707	1,876,241
Total revenue	2,066,301	2,919,882	161,727	605,862	12,752	182,546	63,887	104,899	6,117,856	5,887,223	5,562,832
Total expenses (Schedule 2)	1,850,291	2,586,680	145,515	533,121	12,009	317,102	12,858	183,575	5,641,151	5,712,338	4,974,635
Excess (deficiency) of revenues over expenses	$ 216,010	$ 333,202	$ 16,212	$ 72,741	$ 743	$ (134,556)	$ 51,029	$ (78,676)	$ 476,705	$ 174,885	$ 588,197

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2004

	2004								2004	2004 Budget (note 9)	2003
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	**Total**	Total	Total
Agency contracts	$ -	$ 1,461,341	$ 58,132	$ 8,254	$ 775	$ 223,931	$ -	$ 3,312	**$ 1,755,745**	$1,633,796	$ 1,383,622
Equipment	13,280	37,606	1,650	724	-	-	4,137	-	**57,397**	40,739	19,568
Facilities	153,431	101,721	673	22,052	-	562	-	4,667	**283,106**	272,833	270,305
Information technology	20,534	32,263	600	140	-	-	3,103	1,452	**58,092**	98,475	90,633
Operating (Schedule 3)	352,598	393,724	27,752	43,500	1,272	33,482	4,459	33,905	**890,692**	1,111,042	799,454
Personal services	1,310,448	560,025	56,708	458,451	9,962	59,127	1,159	140,239	**2,596,119**	2,555,453	2,411,053
	$ 1,850,291	$ 2,586,680	$ 145,515	$ 533,121	$ 12,009	$ 317,102	$ 12,858	$ 183,575	$ 5,641,151	$ 5,712,338	$ 4,974,635
			$ 2,732,195		$ 545,130			$ 196,433			

The accompanying notes form an integral part of these financial statements

Schedule 3

Southeast Regional College
Schedule of Operating Fund Expenses
for the year ended June 30, 2004

	2004 Total	2004 Budget (note 9) Total	2003 Total
Advertising	$ 86,149	$ 129,440	$ 77,150
Association fees & dues	9,625	8,745	9,721
Bad debts	4,450	-	(7,683)
Financial services	3,833	1,637	3,499
In-service	34,809	60,189	30,494
Insurance	13,569	7,300	14,283
Materials & supplies	157,779	167,261	143,993
Printing & copying	4,018	29,435	4,254
Professional services	85,326	161,415	97,690
Resale items	217,292	203,549	147,033
Subscriptions	1,762	1,660	879
Telephone/fax	73,829	91,137	74,978
Travel	169,783	217,274	170,891
Other	28,468	32,000	32,272
	$ 890,692	$ 1,111,042	$ 799,454

Southeast Regional College

Personal Service Listing
for the year ended June 30, 2004
"Unaudited"

Listed are individuals **(including unionized employees)** who received $2,500 or more for salaries, wages, honorariums, and compensation for personal service.

		Total Personal Service Amount
Adacsi-Cooke	Bonnie	$40,041
Alelunas	Pat	3,162
Alexander	Sandy	64,512
Bear	Tom	2,750
Bebeau	Sheri-Lynn	35,643
Bell	Candyce	8,090
Beutler	Arvelle	4,713
Binns	Brian	51,384
Blakley	Charon	4,800
Blenkin	Carol	4,152
Bloor	Norma	27,725
Burroughs	Barb	11,759
Busby	Cheryl	56,986
Bye	Kim	19,393
Compton	Kyla	10,890
Connery	Ila	70,427
Crawford	Jim	5,519
Culbertson	Krystal	37,347
Deptuck	Robert	23,911
Donald	Heather	38,513
Dorcas	Heather	50,856
Duncan	Margaret	3,400
Fish	Anna	34,644
Frenza	Heather	12,564
Fuchs	Margaret	42,505
Goertzen	Traci	3,695
Haid	Edwin	9,585
Halabuza	Charlotte	40,020
Hall	Lori	16,587
Hamilton	Laura	57,900
Hammett	Margo	30,750
Hanna	Bonny	2,900
Hausch	Karen	6,229
Herberholz	Cindy	34,295
Hiske	Melanie	34,468
Hoimyr	Randy	4,067
Holowachuk	Amanda	2,535
Hunt	Deloris	35,397
Hunt	Renee	16,257

Southeast Regional College

Personal Service Listing
for the year ended June 30, 2004
"Unaudited"

Listed are individuals **(including unionized employees)** who received $2,500 or more for salaries, wages, honorariums, and compensation for personal service.

		Total Personal Service Amount
Hunter	Jeanette	30,125
Ivan	Sharon	35,380
Iversen	Darcy	2,750
Jenson	Sherry	42,828
Jones	Judi	80,757
Jordens	Trent	49,270
Joynt	Gerry	29,815
Kalynka	Ron	7,478
Kot	Lynn	26,069
Kulach	Bev	45,478
Li	Xiang	33,733
Ludtke	Terry	64,512
Madigan	Sandra	3,745
Martin	Deanna	3,500
Melle	Karen	49,935
Mickleborough	Graham	91,716
Millions	Debbie	9,163
Molnar	Twyla	31,666
Mondor	Dan	17,647
Musk	Lorraine	33,617
Olson	Carole	48,354
Paulson	Marvin	29,063
Pettyjohn	Shannon	37,209
Prior	Evelyn	47,423
Rhodes	Diane	7,715
Ribling	Betty	14,275
Scammell	Minerva	24,247
Stangel	Jim	3,245
Stevenson	Gloria	49,800
Wallin	Joedy	19,503
Warren	Deanna	3,413
Weinlein	Olga	8,064
Williams	Robin	37,086
Wilson	Helene	49,800
Windecker	Donna	44,314
Wood	Laura	2,880
Zorn	Carolee	2,751
Zychkowski	Ed	57,900
Total		$2,136,597

Southeast Regional College
Supplier Payment Listing
for the year ended June 30, 2004
"Unaudited"

Listed are payees who received $20,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

AllStar Technologies Canada	$	275,054
Arresting You Ltd.		32,766
Association of Saskatchewan Regional Colleges		21,000
Borderland Co-op Ltd.		42,628
Broadview School Division #18		34,184
Cochrane, Daren		24,194
Danka Canada Inc.		20,724
Estevan Comp School Board		150,696
Estevan Fire & Safety		21,591
G. Hahn Contracting Ltd.		66,141
Grand & Toy		44,436
Holmgren, Lowell		28,897
Leeville Construction		69,729
London Life Insurance Company		163,957
New Age Electronics		20,773
Nexans Canada inc.		35,000
Petroleum Industry Training Services		65,337
Prairie Driver Training Service		255,097
Receiver General Of Canada		140,333
S.G.E.U. - Union Dues		24,046
Sask. Property Management Corp.		36,906
Saskatchewan Blue Cross		83,898
Sasktel CMR		81,952
Siast Kelsey Campus		28,503
Siast Palliser Campus		196,448
Siast Wascana Campus		485,550
Siast Woodland Campus		24,008
Southeast Education Foundation		73,708
St. John Ambulance		35,229
This 'N That Convenience		21,325
University of Regina		72,232
Weyburn Comp School Board		104,918
Ziolkowski Construction		41,452
Total	$	2,822,711